

NORTHEAST CARRIER ACQUISITION COMPANY, LLC
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT ("Agreement") is made as of the 28th of April, 1998, amending and restating the Limited Liability Company Operating Agreement dated as of September 5, 1996 (the "Original Agreement") by and among each of the parties listed on Exhibit A hereto.

RECITALS

WHEREAS, the parties formed a limited liability company known as New York Carrier Acquisition Company LLC (the "Company") pursuant to the New York Limited Liability Company Law for the purpose of engaging in business activities related to implementing number portability in the State of New York; and

WHEREAS, the parties desire to amend and restate the Original Agreement to enable the Company to engage in business activities relating to implementing number portability in the Northeast Region (defined below) and to establish their relative rights and obligations pursuant to the New York Limited Liability Company Law in connection with forming the Company;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

Article I

Definitions and Rules of Construction

1.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Agreement" shall mean this operating agreement as originally executed and as amended from time to time.

(b) "Articles of Organization" shall mean the Articles of Organization of the Company filed with the New York Secretary of State, as they may from time to time be amended.

(c) "Capital Account" shall have the meaning set forth in Section 9.3.

(d) "Chairman" shall mean the Chairman of the Managers Committee as described in Section 7.1(b), and "Co-Chairs" shall mean the Co-Chairs of the Managers Committee as described in Section 7.1(c).

(e) "Commission" shall mean the appropriate state governmental authority or authorities in the Northeast Region with jurisdiction over the porting of numbers.

(f) "Company" shall mean Northeast Carrier Acquisition Company, LLC.

(g) "Entity" shall mean any individual person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust, or foreign business organization.

(h) "Interim Number Pooling Administrator" shall mean the Entity that contracts with the Company to support the number administration function associated with thousands block number pooling on an interim basis in the 212 and its relief area code, the 718 and its relief area code, and any additional New York areas as ordered by the New York Public Service Commission.

(i) "Managers" shall mean the Managers identified in Exhibit B or in an executed counterpart to this Agreement and their successors in that capacity, and as further described in Article VI.

(j) "Master Contract" shall refer to the contract between the Company and the Prime Vendor relating to Permanent Number Portability, which contract shall provide, among other things, (i) that the Company shall have no liability under the Master Contract or otherwise (x) for the Prime Vendor's costs or expenses or for any compensation to the Prime Vendor for the establishment or operation of the number portability administration center and service management system or (y) for services provided by the Prime Vendor incident to the provision of number portability administration center and service management system services to any Member or any other person authorized to purchase such services, (ii) that the Prime Vendor shall look solely to revenues generated by the Prime Vendor from the sale by the Prime Vendor of the services of the number portability administration center and service management system in the course of the Prime Vendor's operation of the number portability administration center and service management system for the recovery of any costs or expenses of the Prime Vendor and any compensation to the Prime Vendor for the establishment and operation of the number portability administration center and service management system, (iii) that the Prime Vendor shall look solely to a Member or other person purchasing goods or services provided by the Prime Vendor to such Member or other person for the payment for such goods or services, and the Company shall have no liability therefor, (iv) that neither the Company nor any Member have any obligation to purchase number portability administration center services or other goods or services from the Prime Vendor nor do the Company nor any Member promise any level of such purchases, and (v) that the Company's rights under the Master Contract with the Prime Vendor

shall not be impaired or subject to any defense or offset on account of the breach by any Member or any other person of any obligation owing to the Prime Vendor arising out of the purchase of number portability administration center services or other goods and services.

(k) "Member" shall mean, for so long as it satisfies the eligibility criteria set forth in Section 12.1, each carrier that satisfies such criteria and that executes this Agreement as a Member or that hereafter becomes a Member by executing a counterpart to this Agreement. The names and addresses of the Members are as set forth in Exhibit A.

(l) "Membership Interest" shall mean a Member's entire interest in the Company including, without limitation, (i) the Member's right to participate in the management of the business and affairs of the Company, (ii) the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Agreement and the New York Law and (iii) the right to inspect the books and records of the Company.

(m) "New York Law" shall mean the New York Limited Liability Company Law.

(n) "Northeast Region" shall mean the region in the United States comprised of the following states: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

(o) "Permanent Number Portability" shall refer to a system for providing permanent number portability meeting the requirements of any regulation or order promulgated by the Federal Communications Commission with respect to permanent number portability.

(p) "Prime Vendor" shall mean the Entity that enters into the Master Contract with the Company to (i) establish, administer and maintain the number portability administration center and the service management system, and (ii) perform other duties associated with the number portability administration center and service management system as directed by the Company. The Prime Vendor shall provide number portability administration center services and service management system services in the Northeast Region and shall provide all such services directly or indirectly to all carriers or any other telecommunications related service provider for routing and billing of telecommunications services. The Prime Vendor shall (x) provide access to all such services in the Northeast Region on a nondiscriminatory basis and (y) provide such services in the Northeast Region at rates, terms and conditions that are nondiscriminatory.

(q) "PSC Representative" shall refer to any representative of the Commission or its Staff, who shall be entitled, but not obligated, (1) to attend all meetings of the Members, (2) to participate in all activities of the Company as a non-voting party and as a consultant acting in a supervisory role, (3) to attend all Managers Committee meetings, (4) to perform such other duties as shall be proposed by the Managers and that are accepted by the Commission or its Staff. The "PSC Representative" shall be the person or persons so designated by the Staff of the Commission.

(r) "Secretary" shall refer to the Secretary of the Steering Committee as described in Section 7.1(d).

1.2 Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) "or" is not exclusive;

(c) references in the singular or to "him," "her," "it," "itself," or other like references, and references in the plural or the feminine or masculine reference, as the case may be, shall also, when the context so requires, be deemed to include the plural or singular, or the masculine or feminine reference, as the case may be;

(d) references to Articles and Sections shall refer to articles and sections of this Agreement, unless otherwise specified; and

(e) the headings in this Agreement are for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision thereof.

1.3 Effect of Agreement; Severability and Reformation. It is the express intention of the Members that, except to the extent a provision of this Agreement expressly incorporated Federal income tax rules by reference to the Internal Revenue Code of 1986, as amended (the "IRC"), or the Treasury Regulations promulgated thereunder, or is expressly prohibited or ineffective under the New York Law, this Agreement shall govern the relations among the Members in their capacities as Members. If any provision of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent, (a) such provision shall be ineffective to the extent, and only to the extent, of such unenforceability or prohibition and shall be enforced to the extent permitted by law; (b) such unenforceability or prohibition in any jurisdiction shall not invalidate or render unenforceable such provision as applied (i) to other persons or circumstances or (ii) in any other jurisdiction; and (c) such unenforceability or prohibition shall not affect or invalidate any other provision of this Agreement. To the extent any provision of this Agreement is prohibited or ineffective under the New York Law, this Agreement shall be considered amended to the least degree possible in order to make this Agreement effective under the New York Law. In the event the New York Law is subsequently amended or interpreted in such a way as to make valid any provision of this Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

To the extent any provision of this Agreement is held invalid or unenforceable, the Members shall negotiate, in good faith, concerning an amendment to this Agreement that will

achieve, to the extent possible consistent with applicable law, the intended effect of the invalid or unenforceable provision. To the extent any provision of this Agreement conflicts with any ruling issued by the Commission, the Federal Communications Commission or any state regulatory authority, such ruling shall govern and supersede, to the extent necessary, such conflicting provision of this Agreement.

Article II

Formation of Company

2.1 Formation. The Company was organized by executing and delivering the Articles of Organization to the Department of State of the State of New York in accordance with and pursuant to the New York Law.

2.2 Name. The name of the Company is Northeast Carrier Acquisition Company, LLC.

2.3 Principal Office. The Company may locate its principal office and other places of business at any place or places within the State of New York as the Managers may from time to time deem advisable.

2.4 Principal Office and Resident Agent. The Company's initial principal office shall be at the office of its registered agent at 500 Central Avenue, Albany, New York 12206-2290, and the name of its initial registered agent at such address shall be Corporation Service Company. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the New York Department of State pursuant to the New York Law.

2.5 Term. The term of the Company shall be ten years, terminating September 5, 2006 unless the Company is earlier dissolved and terminated in accordance with either the provisions of this Agreement or the New York Law.

Article III

Business and Nature of the Company

3.1 Permitted Businesses. The business of the Company shall be:

(a) to issue a Request For Proposals ("RFP") to solicit bids from vendors interested in entering into the Master Contract to perform the functions of the Prime Vendor;

(b) to develop and implement procedures for reviewing bids from vendors responding to the RFP and selecting the Prime Vendor;

(c) to ratify, after a bid is selected and before execution of the Master Contract, the award of the Master Contract to the Prime Vendor;

(d) to negotiate and execute the Master Contract and to negotiate and execute other contracts for goods or services, to negotiate changes in terms and conditions of the Master Contract and any other contract, to renew or rebid the Master Contract and any other contract, and to terminate the Master Contract and any other contract as circumstances require;

(e) to supervise and oversee the Prime Vendor as well as any subcontractor or vendor to ensure compliance with Master Contract requirements;

(f) to own, license or otherwise control any and all intellectual property rights and any other proprietary rights associated with local number portability technology and all confidential information associated with the activities of the Company, pursuant to the terms and conditions set forth in Exhibit C;

(g) to comply with any order or other directive concerning local number portability issued by the Commission, the Federal Communications Commission or any state regulatory authority, including, but not limited to, any directive to expand, reduce, merge, consolidate, dissolve and terminate, or otherwise modify the Company; to supervise and oversee the Prime Vendor and any subcontractor or vendor to ensure compliance with any such order or other directive; and to amend this Agreement in accordance with any such order or other directive;

(h) to purchase or own such facilities and other assets as the Company may, from time to time, reasonably require for its business; and to exercise all other powers necessary to or reasonably related to the Company's business that may legally be exercised by limited liability companies under the New York Law; and

(i) to engage in all activities necessary, customary, convenient, incidental or related to any of the foregoing, and to do so in a manner that does not discriminate unreasonably against any Member or non-Member provider of telecommunications service.

(j) to issue an RFP for an Interim Number Pooling Administrator ("INPA"); review bids from vendors responding to the RFP; select an INPA; negotiate, execute and terminate (as appropriate) a contract and any changes thereto with the INPA; supervise and oversee the INPA; comply with any order or other directive concerning number pooling issued by the Commission or the Federal Communications Commission and amend this Agreement in accordance with any such order or other directive; and engage in all activities necessary, customary convenient, incidental or related to any of the foregoing and do so in a manner that does not discriminate unreasonably against any Member or non-Member provider of telecommunications service.

3.2 No Partnership Intended for Non-Tax Purposes. The Members have formed the Company under the New York Law, and expressly do not intend hereby to form a partnership under any state partnership act or limited partnership act. The Members do not intend to be partners one to another, or partners as to any third party.

Article IV

Rights and Obligations of Members

4.1 Membership Interest and Voting Rights.

(a) Except as otherwise provided in this Agreement, each Member shall have and retain a Membership Interest equivalent in every respect to the Membership Interest of any other Member, and such Membership Interest shall entitle a Member at all times to one vote by its respective Manager, and thus equal voting power, on all matters set forth in this Agreement requiring the vote of Managers.

(b) In the event that any Member is affiliated with one or more other Members, such affiliated Member group shall collectively be entitled to only one vote on all matters set forth in this Agreement requiring the vote of Managers; such single vote to be cast by a Manager of one of the Members within the affiliated group as designated in writing by such group. For purposes of this Agreement, a Member is affiliated with another Member if such Member directly or indirectly controls, is controlled by, or is under direct or indirect common control with such other Member. A Member shall be deemed to control another Member if such Member possesses, directly or indirectly, the power (i) to vote 10% or more of the securities having ordinary voting power for the election of directors of such other Member or (ii) to direct or cause direction of the management and policies of such other Member, whether through the ownership of voting securities, by contract or otherwise.

(c) Any Member qualifying for membership under Section 12.1(b) that does not commence porting numbers in the Northeast Region within either: (1) 6 months from the date such Member declares to the Company its intent to port numbers in the Northeast Region, if such declaration is made at a time when Permanent Local Number Portability is available in the Northeast Region; or (2) if, at a time when Permanent Local Number Portability is not available in the Northeast Region, the Member declares to the Company its intent to port numbers in the Northeast Region, the period of time during which Permanent Local Number Portability remains unavailable in the Northeast Region plus 6 months; shall become a non-voting Member on the first day following the expiration of the applicable 6 month period specified in Section 4.1(c)(1) or 4.1(c)(2), as the case may be, and relinquish all such Member's voting rights on all matters set forth in this Agreement requiring the vote of Managers until such time as such Member commences porting numbers in the Northeast Region, provided, however, that such failure to commence porting numbers in the Northeast Region is not caused by any other Member or non-Member provider of telecommunications service, as the Managers may, by majority vote, decide to be the case. During the time that voting rights are relinquished, such Member may continue as a non-voting Member of the Company, a Manager designated by such Member may participate in any meetings in which he or she would be entitled to attend if such non-voting Member were a voting Member, provided, however, that non-voting Members and Managers designated by them shall not be counted as present for purposes of determining a quorum or the adequacy of any vote. Upon the actual commencement of number porting by a non-voting member designated as such pursuant to this paragraph 4.1(c), such Member shall become a voting Member of the Company.

4.2 Limitation of Liability. Except for the Member's respective Capital Account and as otherwise provided under the New York Law, no Member shall be liable for any debt, obligation or liability of the Company or any other Member(s) of any nature whatsoever, whether arising in contract, tort or otherwise, solely by reason of being a Member.

4.3 Nature of Interests. There shall not be limited liability company interests in the Company other than Membership Interests as defined in this Agreement.

4.4 Manager Approval of Certain Transactions. Notwithstanding anything in the New York Law to the contrary, the Managers shall approve, without any separate vote of the Members, the matters referred to in Sections 6.4, 6.5, 6.6 and 6.7.

4.5 Access to Company Books and Records. Upon reasonable request, each Member or its duly authorized Manager shall have the right, during ordinary business hours and in accordance with Section 1102 of the New York Law, to inspect and copy Company books and records at the requesting Member's expense.

4.6 Priority and Return of Capital. Except as otherwise expressly provided in this Agreement, no Member shall have priority over any other Member, either for the return of Capital Contributions or assessments or for net profits, net losses, or distributions.

4.7 Internal Dispute, Review, Arbitration and Mediation. Except as provided in Section 4.8 of this Agreement, in the event of a dispute or disagreement regarding a decision or action of the Managers or Members as to any material matter, any Member shall first make a good faith effort to review or mediate such dispute or disagreement pursuant to the procedure set forth in this Section 4.7. Such procedure shall include consultation with the Commission Staff, followed by the aggrieved Member seeking review or mediation of such decision or action by the filing of an appropriate petition, letter, pleading or other request for action in accordance with applicable rules, if any, of the Commission within 30 calendar days of a decision or action by the Members. Thereafter, the Members will participate in good faith in any proceeding convened by the Commission for the purpose of resolving the matters in issue and will comply with decisions, advice, and directions of the Commission as may be appropriate. However, the decision or action that is the subject of the review or mediation shall not be delayed or postponed unless otherwise agreed by the Members or unless otherwise ordered by the Commission. If the Commission determines that it does not have jurisdiction in the premises or is unable for any other reason to review or mediate the matter, the Members will obtain final resolution of the matter by submitting to it binding arbitration or litigation in accordance with procedures to be agreed upon by the Members. For purposes of this paragraph, "material matter" means a matter of sufficient magnitude as to impose a significant impact upon any aspect of the business of the Company or upon its Members or Managers regarding their participation in matters that are the subject of the business of the Company or related thereto, either collectively, individually or upon certain Members as a group. "Significant impact" includes but is not limited to matters of financial, operational, legal, regulatory or personnel-related concern pertaining to the business of the Company or matters related thereto. For purposes of this paragraph, "material" does not refer to any financial standard of materiality as applied in the administration of generally accepted accounting practices. The provisions of Section 4.7 shall not be construed as limiting such legal and procedural remedies as may be otherwise available to any Member. Section 4.7 shall not be applicable to, and thus the remedies provided under Section 4.7 shall not be available for, review or mediation of disputes or disagreements concerning the Company's selection, ratification, approval, termination or renewal of the Prime Vendor, in connection with any aspect of the Prime Vendor's performance under the Master Contract.

4.8 Policy Disputes.

(a) Public Policy Dispute. For purposes of this section, "Public Policy Dispute" shall mean an unresolved LNP issue that (1) involves one or more Company members, (2) has been discussed and voted by the Company, and (3) concerns public policy. Any unresolved LNP issue that relates to pecuniary or such other issues strictly relating to the business of LNP administration or provisioning and that does not concern public policy shall not constitute a Public Policy Dispute but would be subject to the Company's dispute resolution procedures set forth in Section 4.7 of this Agreement.

A Public Policy Dispute shall first be negotiated by the parties to the Public Policy Dispute for resolution. If any party to the Public Policy Dispute objects to the resolution, the Public Policy Dispute may be referred to the Company. The Company shall attempt to resolve the Public Policy Dispute in accordance with the NANC dispute resolution guidelines. If any party objects to the Company's resolution, prior to any other resolution process the Public Policy Dispute shall be submitted for resolution by the NANC or an appropriate regulatory commission. In the event of the submission of a Public Policy Dispute to the NANC, and where any party to the Public Policy Dispute objects to the NANC's proposed resolution, prior to any other resolution process the NANC's proposed resolution of the Public Policy Dispute shall be submitted to the FCC as a recommendation for FCC review, pursuant to the FCC's procedures set forth at ¶130 of its Second Report and Order, *In the Matter of Telephone Number Portability*, CC Docket No. 95-116, FCC 97-289. The submission of a Public Policy Dispute to a state regulatory commission shall be made to any appropriate state regulatory commission in the Northeast Region that the parties to the Public Policy Dispute select.

(b) Dispute Between Regions. For purposes of this section, "Dispute Between Regions" shall mean an unresolved LNP issue that involves the Company and one or more of the other regional companies (LLCs) administering the implementation of LNP.

A Dispute Between Regions shall first be negotiated by the parties to the Dispute Between Regions for resolution in accordance with the NANC dispute resolution guidelines. If any party objects to the resolution, prior to any other resolution process the Dispute Between Regions shall be submitted for resolution by the NANC. In the event any party to the Dispute Between Regions objects to the NANC's proposed resolution, prior to any other resolution process the NANC's proposed resolution of the Dispute Between Regions shall be submitted to the FCC as a recommendation for FCC review, pursuant to the FCC's procedures set forth at ¶130 of its Second Report and Order referenced above.

(c) Referred Dispute. For purposes of this section, "Referred Dispute" shall mean an unresolved LNP issue that is referred to the Company by any telecommunications carrier.

A Referred Dispute shall first be reviewed by the Company to determine whether it concerns public policy. A Referred Dispute determined by the Company to concern pecuniary or such other issues strictly relating to the business of LNP administration and not to concern public policy shall be submitted to the Company's dispute resolution procedures set forth in Section 4.7 of this Agreement. If a Referred Dispute is determined by the Company to concern public policy, the Company shall attempt to resolve such Referred Dispute in accordance with the NANC dispute resolution guidelines. If any party to such Referred Dispute objects to the Company's resolution, any party may submit such Referred Dispute for resolution by the NANC or may pursue such other rights it may have under dispute resolution processes afforded by appropriate regulatory authorities. In the event of the submission of a Referred Dispute to the NANC, and where any party to the Referred Dispute objects to the NANC's proposed resolution, prior to any other resolution process the NANC's proposed resolution of the Referred Dispute shall be submitted to the FCC as a recommendation for FCC review, pursuant to the FCC's procedures set

forth at ¶130 of its Second Report and Order referenced above. The submission of a Referred Dispute to a state regulatory commission may be made to any appropriate state regulatory commission in the Northeast Region that the parties to the Referred Dispute select.

Article V

Meetings of Members

5.1 Meetings of Members. The Managers shall be authorized to call a meeting of the Members from time to time as shall be deemed necessary.

Article VI

Rights and Duties of, Designation and Election of, and Conduct of Business by Managers

6.1 Management. All authority of the Members to act and participate in the Company shall be vested in the Managers, and Members may only act through their respective Managers. The business and affairs of the Company shall be managed by the Managers. The Managers shall in all cases act collectively as provided in Article VII, and not individually. Without limiting the generality of the foregoing, no Manager acting individually shall be the agent of the Company or shall have authority to bind the Company and no debt shall be contracted or liability incurred by or on behalf of the Company, except by the Managers acting collectively as provided in Article VII or by one or more agents or employees of the Company acting pursuant to the authority granted to them by the Managers.

6.2 Number, Tenure and Qualifications. The Company shall have that number of Managers equal to the number of Members. Managers shall be selected as provided in Section 6.3. Each Manager shall hold office until a successor shall have been selected as provided in this Agreement. Managers need not be residents of the State of New York.

6.3 Selection and Replacement of Managers.

(a) Selection of Managers; Vacancies. Each Member shall be entitled to (i) select one Manager and, at the option of each Member, an alternate Manager to act in the absence of the primary Manager selected by that Member, and (ii) fill any vacancies resulting from the removal, resignation or death of any such Manager or alternate Manager. The selection of a Manager or alternate Manager shall be set forth in a writing delivered by the Member entitled to select such Manager or alternate Manager, as the case may be, to the Chairman (or Co-Chairs) and Secretary.

(b) Removal. A Manager or alternate Manager may be removed at any time, with or without cause, by the Member that selected that Manager or alternate Manager, which Member shall give written notice to the Chairman (or Co-Chairs) and Secretary and to the other Members. The removal of any Manager or alternate Manager shall take effect upon the receipt of that notice by the Chairman (or Co-Chairs) and Secretary, or at such later time as may be specified in the notice. If a Member ceases to be a Member, the Manager and alternate Manager, if any, selected by that Member shall be removed, without further action of the Members or Managers, as of the date the Member ceases to be a Member.

(c) Resignation. Any Manager or alternate Manager may resign at any time by giving written notice to the Member that selected such Manager, which Member shall give written notice to the Chairman (or Co-Chairs) and Secretary and to the other Members. The resignation of any Manager or alternate Manager shall take effect upon receipt of that notice by the Chairman (or Co-Chairs) or at such later time as shall be specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

6.4 Certain Powers of Managers.

(a) Without limiting the generality of Section 6.1, the Managers, acting collectively in accordance with Article VII, and subject in all cases to the provisions of Sections 6.5 and 6.6, shall have power and authority, and shall have the power and authority to authorize the agents of the Company, on behalf of the Company, to exercise the following powers in a manner that does not discriminate unreasonably against any Member or non-Member provider of telecommunications service:

(i) to acquire property from any Entity as the Managers may determine. The fact that a Manager or Member is directly or indirectly affiliated or connected with any such Entity shall not prohibit the Managers from dealing with that Entity;

(ii) to purchase liability (including, without limitation, directors' and officers' liability) and other insurance to protect the Company's property and business;

(iii) to hold and own any Company real and/or personal properties in the name of the Company;

(iv) to execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company property; assignments; bills of sale; leases; partnership agreements; operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Managers, to the business of the Company;

(v) to designate from time to time the Company's independent public accountants and the location of the Company's principal office;

(vi) to employ legal counsel, agents, or other experts to perform services for the Company and to compensate them from Company funds;

(vii) to conduct periodic audits of the Prime Vendor and any Entity contracting with the Prime Vendor that provides goods or services related to the provision of local number portability in the Northeast Region;

(viii) to enter into any and all other agreements on behalf of the Company, with any other person for any purpose, in such forms as the Managers may approve; and

(ix) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

(b) Unless authorized to do so by this Agreement or by the Managers of the Company, no attorney-in-fact or other agent of the Company shall have any power or authority to bind the Company or any Member(s) in any way, to pledge its credit or to render it liable pecuniarily for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Managers to act as an agent of the Company in accordance with the previous sentence.

6.5 Matters Requiring Unanimous Manager Approval. The Managers may not approve any of the following actions except by the unanimous vote or unanimous written consent of the Managers:

(a) Formation or acquisition of subsidiaries and entering into partnerships, limited liability company agreements, and joint ventures.

(b) Incurrence of (i) any indebtedness (other than trade payables incurred in the ordinary course of business) or lease, guaranty, indemnification or suretyship obligations, or (ii) any indebtedness to a Member or an affiliate of a Member.

(c) The approval of (i) the merger or consolidation of the Company with or into another Entity (other than as described in Section 6.6(b)); (ii) the sale, exchange, or other disposition of all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan; and (iii) the reorganization of the Company pursuant to an event of bankruptcy.

(d) Payment of a distribution of the Company's moneys or other assets to any Member prior to dissolution and termination of the Company, as described in Section 10.2.

6.6 Matters Requiring Two-Thirds Majority Approval of Managers. The Managers may not approve any of the following actions except by a two-thirds majority vote or written consents of two-thirds of the Managers:

- (a) amendment of this Agreement;
- (b) merger or consolidation of the Company into any regional or national corporation, partnership or limited liability company performing substantially similar functions; or
- (c) execution by the Company of a Master Contract with the Prime Vendor.

6.7 Other Matters to Be Decided By Majority Vote. Other than as set forth in Sections 6.4, 6.5, 6.6 and 13.1(b) of this Agreement, all other actions taken by the Managers shall be determined by a simple majority or by the written consents of a simple majority.

6.8 Determination of Votes. In determining whether any action has been duly approved by the Managers in accordance with Article VI of this Agreement, all references to unanimous, two thirds or simple majority votes or written consents include only those Managers present and voting, or whose written consents are duly executed, a quorum being present, and does not include, for purposes of determining whether or not an action has been approved, any Manager not present, not voting, abstaining, or whose written consents are not duly executed.

Article VII

Meetings of Managers; Committees

7.1 Managers Committee.

(a) Membership. There shall be a Managers Committee, comprised of all Managers of the Company. The Managers Committee shall have and may exercise all of the powers and authority of the Managers in the business and affairs of the Company. All meetings of the Managers described in this Agreement shall be meetings of the Managers Committee.

(b) Chairman. Except as provided in Section 7.1(c), there shall be a Chairman of the Managers Committee, who shall be elected by a simple majority of the Managers on an annual basis. The Chairman, or upon the unavailability of the Chairman, the designate of the Chairman, shall conduct and preside at any meeting of the Managers Committee.

(c) Co-Chairs. In the alternative to Section 7.1(b), the Managers may select Co-Chairs of the Managers Committee, who shall be two equal chairmen elected by a simple majority of the Managers on an annual basis. The Co-Chairs, or upon the unavailability of the Co-Chairs,

the designate of the Co-Chairs, shall conduct and preside at any meeting of the Managers Committee.

(d) Secretary. There shall be a Secretary of the Managers Committee, who shall be a Manager selected by the Managers Committee. The Secretary or the designate of the Secretary shall keep and distribute detailed minutes of any meeting of the Managers Committee.

7.2 Regular Meetings. Regular meetings of the Managers Committee for the transaction of any business may be held on such schedule and at such places as may be determined in advance by the Managers, provided that all Managers are given reasonable notice of the schedule for such meetings. In the event one of the matters referred to in Section 6.5 will be considered at a regular Managers Committee meeting, reasonable written (including by facsimile transmission) notice thereof shall be given to each Manager not less than ten business days prior to the meeting.

7.3 Special Meetings. Special Managers Committee meetings of the Managers may be held at any time and place upon call by the Chairman (or Co-Chairs) or any one Manager. Reasonable written (including by facsimile transmission) notice thereof, which notice shall include an agenda, shall be given by the individual or individuals calling the meeting.

7.4 Telephonic Meetings Permitted. The Managers may participate in a Managers Committee meeting by conference telephone or similar communications equipment by means of which all individuals participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

7.5 Quorum and Actions of Managers.

(a) At all Managers Committee meetings, a simple majority of the Managers shall constitute a quorum for the transaction of business. Provided that a quorum is present, and except as otherwise provided in this Agreement, the act of a simple majority of Managers shall be the act of the Managers.

(b) Notwithstanding the provisions in Section 7.5(a), when ratifying the award of the Master Contract to the Prime Vendor pursuant to the authority set forth in Section 3.1(c), the act of a simple majority of all Managers whose respective Members (and affiliates of those Members, as defined in Section 4.1(b)) have no direct material financial interest in the Master Contract ("Disinterested Managers") shall be the act of the Managers, even if the Disinterested Managers constitute less than a quorum.

7.6 Compensation; Reimbursement of Expenses. No compensation shall be paid by the Company to any Manager. However, the Managers may be reimbursed for any expenses reasonably incurred by them in conjunction with the business and affairs of the Company.

7.7 Action of Managers Without Meeting. Unless otherwise restricted by this Agreement, any action required or permitted to be taken at any Managers Committee meeting may be taken without a Managers Committee meeting if all the Managers consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Managers Committee.

7.8 Advisory Committees.

(a) Responsibilities. There shall be the following advisory committees, each such committee to advise the Steering Committee on matters assigned to it by the Managers and to consist of such number of individuals as may be determined from time to time by the Managers:

- (i) Cost Recovery Committee;
- (ii) Legal Committee;
- (iii) Network Implementation and Planning Committee;
- (iv) RFP Drafting Committee;
- (v) Finance Committee; and
- (vi) Interim Number Pooling Administrator Committee.

(b) Membership. The Managers shall select the members of each advisory committee. Such members may include Managers, persons who are not Managers, or persons who are not employed by or affiliated with any Member, provided, however, that no member of any advisory committee may be a representative or agent for any corporation or other entity that (i) meets the eligibility criteria for Members set forth in Section 12.1 and (ii) refuses to become a Member as provided in Section 12.2. The Managers may, at any time, remove any member of any advisory committee with or without cause and may designate one or more individuals as alternate members of any advisory committee, who may replace any absent or disqualified committee member at any meeting of the advisory committee. The Managers shall designate an individual to serve as the chair of each of the advisory committees, in each case to preside at all meetings of the respective advisory committees. Each advisory committee also may appoint a secretary (who need not be a member of the committee), who shall keep its records and who shall hold office at the pleasure of the chair of such committee.

(c) User Advisory Committee. There shall be a permanent standing User Advisory Committee which shall be an Advisory Committee within the meaning of the term as it is used in this Agreement. The following entities shall be eligible for membership: (1) a Member or (2) a non-Member that either (i) intends to provide facilities based wireline or wireless telecommunications services within the Northeast Region and intends in connection with such

services to port numbers, or (ii) purchases goods or services from the Prime Vendor made available in connection with the Prime Vendor's operation of the System, including, but not limited to interexchange carriers, or (iii) is engaged in a business which is materially affected by the System or its operation and gives written notice to the Secretary of the Company of the Member or non-Member's desire to serve on the committee. The Members shall, by majority vote, designate the initial chairperson of the User Advisory Committee.

(d) Other Advisory Committees. The Managers may designate one or more other advisory committees, each such other advisory committee to consist of one or more individuals, who may or may not be Managers. The Managers may, at any time, remove any member of any other advisory committee with or without cause and may designate one or more individuals as alternate members of any other advisory committee, who may replace any absent or disqualified member at any meeting of the other advisory committee. The Managers shall designate a chair of any other advisory committee, who shall preside at all meetings, and who may also appoint a secretary (who need not be a member of the committee), who shall keep its records and shall hold office at the pleasure of the chair.

(e) Telephonic Meeting Permitted. The advisory committee members may participate in an advisory committee meeting by conference telephone or similar communications equipment by means of which all individuals participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

(f) Regular Meetings. Regular meetings of advisory committees may be held on such schedule and at such places as the advisory committee may from time to time determine in advance, provided that all advisory committee members are given reasonable advance notice of the schedule for such regular meetings.

(g) Special Meetings. Special meetings of advisory committees may be held upon not less than two business days' notice of the time, place and purposes thereof. Until otherwise ordered by the advisory committee, special meetings shall be held at such time and place as determined by the chair.

(h) Actions at Regular and Special Advisory Committee Meetings; Minutes; Actions Without a Meeting. At any regular or special meeting any advisory committee may exercise any or all of its powers, and any business which shall come before any regular or special meeting may be transacted thereat, provided a simple majority of the advisory committee is present. Unless this Agreement requires the affirmative vote of more than a simple majority of all the members of the advisory committee with respect to an action, the affirmative vote of a simple majority of all of the members of the advisory committee shall be necessary to take any action. Each advisory committee shall keep regular minutes of its proceedings and distribute a copy thereof to each of the Managers and the Chairman (or Co-Chairs) and Secretary after each meeting. Any authorized action by an advisory committee may be taken without a meeting if all

the members of that advisory committee consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of that advisory committee.

7.9 Authority of Advisory Committees. Unless authorized to do so by this Agreement or by the Managers, (1) no advisory committee (including, without limitation, the User Advisory Committee) shall have any power or authority to bind the Company in any way or to render the Company liable in any way, (2) the authority of each advisory committee shall be limited to making recommendations to the Managers Committee as to matters assigned by the Managers and (3) none of the advisory committees (including, without limitation, the User Advisory Committee) shall have any other authority, responsibility or role in connection with the management, operation or governance of the Company whatsoever.

7.10 Attendance. The Managers shall have the authority to impose reasonable sanctions against any person serving as Manager, Alternate Manager or advisory committee member for repeated nonattendance at Steering Committee or advisory committee meetings.

7.11 Public Meetings. All meetings of the Managers Committee and any advisory committee shall be open to non-Members and members of the public. However, non-Members and members of the public have no voting rights during, nor any right to notice of time and place of, any meeting of the Managers Committee or any advisory committee. The Managers reserve the right (i) to exclude non-Members and members of the public from attending part or all of any meeting of the Managers Committee or any advisory committee and (ii) to exclude members of any advisory committee (including, without limitation, the User Advisory Committee) from attending part or all of any meeting of the Managers Committee, in each case to the extent deemed necessary or advisable by the Managers for any reason deemed appropriate by the Managers in good faith, including without limitation, in order to preserve or protect confidential and/or proprietary information of the Company or its vendors.

Article VIII

Duties and Limitation of Liability of Managers, Members and Persons Serving on Advisory Committees; Indemnification

8.1 Duties of Managers; Limitation of Liability. The Managers shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs the duties of Manager shall not have any liability to the Company or any other Member by reason of being or having been a Manager. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by the Manager.

8.2 Managers Have No Exclusive Duty to Company. The Managers, each of whom shall be employees or authorized representatives of the Members, shall not be required to manage the Company as their sole and exclusive function and they, and the Members that selected such Managers, may have other business interests and may engage in other investments or activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other business interests, investments or activities of a Manager or the income or proceeds derived therefrom. No Manager shall incur liability to the Company or to any Member solely by reason of engaging in any such other business, investment or activity. Nothing in this Agreement shall affect the obligations and liabilities of a Manager to the Member that selected such Manager.

8.3 Protection of Members and Managers.

(a) As used in this Section 8.3, the term "Protected Party" refers to the Members and Managers of the Company.

(b) To the extent that, at law or in equity, a Protected Party has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Protected Party, a Protected Party acting under this Agreement shall not be liable to the Company or to any other Protected Party for its good faith reliance on the provisions of this Agreement, the records of the Company, and such information, opinions, reports or statements presented to the Company by any person as to matters the Protected Party reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other fact pertinent to the existence and amount of assets from which distributions to Members might properly be paid. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Protected Party to the Company or to any other Protected Party otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Protected Party.

(c) Whenever in this Agreement a Protected Party is permitted or required to make a decision (i) in its "discretion" or under a grant of similar authority or latitude, the Protected Party shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Entity, or (ii) in its "good faith" or under another express standard, the Protected Party shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

8.4 Indemnification and Insurance.

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil,

criminal, administrative or investigative or otherwise and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Manager or agent of the Company or is or was serving at the request of the Company as a manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, whether the basis of such proceeding is alleged action in an official capacity as a Manager or agent or in any other capacity while serving as such a Manager or agent of the Company, shall be indemnified and held harmless by the Company, provided, however, that there shall be no indemnification of any such person as to matters in respect of which it shall be adjudged in such proceeding that:

(1) such act or omission of such person was material to the matter giving rise to the proceeding and (i) was committed in bad faith, or (ii) was the result of active and deliberate dishonesty;

(2) such person personally gained in fact a financial profit or other advantage to which he or she was not legally entitled; or

(3) in the case of any criminal proceeding, such person had reasonable cause to believe that the act or omission was unlawful.

(b) Advancement of Expenses. Expenses (including attorneys' fees) incurred by an indemnified person in defending any proceeding shall be paid in advance of the proceeding's final disposition upon receipt of an undertaking by such person to repay the amount so advanced if the person is ultimately found not to be entitled to indemnification under Section 8.4(a).

(c) Non-Exclusivity of Rights. The right to indemnification and the advancement of expenses conferred in this Section 8.4 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Agreement, contract, agreement, vote of Managers or otherwise. The Managers are expressly authorized to adopt and enter into indemnification agreements for Members, Managers and advisory committee members.

(d) Insurance. The Managers may cause the Company to purchase and maintain insurance for the Company or its Members on behalf of any person who is or was or has agreed to become a Manager, advisory committee member or agent of the Company or is or was serving at the request of the Company as a manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Company would have the power to indemnify such person.

(e) Effect of Amendment. No amendment, repeal or modification of this Section 8.4 shall adversely affect any rights hereunder with respect to any act or omission occurring prior to the date when such amendment, repeal or modification became effective.

8.5 Duties of Persons Serving on Advisory Committees; Limitation of Liability; Indemnification. Persons serving on any advisory committee, whether or not a Manager, shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person serving on an advisory committee who so performs shall not have any liability to the Company or to any Member and shall be entitled to indemnification and insurance in the manner provided for Managers in this Article VIII. A person serving on an advisory committee shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage was the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by such person.

Article IX

Contributions to the Company; Assessments for Administrative Expenses; and Capital Accounts

9.1 Capital Contributions.

(a) Each Member shall make an initial Capital Contribution to the Company of cash within 30 days of its admission to the Company in an amount equal to \$10,000 (within 30 days of its admission to the Company, a Member may also be required to pay other moneys as described in Section 9.2(e)). The Members specifically reserve the right to decide whether to impose (and the majority vote necessary to impose) an initial Capital Contribution upon a Member that rejoins the Company after previously joining the Company as a Member, paying the initial Capital Contribution, and then withdrawing from the Company.

(b) Other than the initial Capital Contributions of the Members pursuant to Section 9.1(a), no Member shall have any obligation to make any further Capital Contributions or to lend any funds to the Company; *provided, however*, that the foregoing shall not be construed to limit the obligation of any Member to pay its share of assessments made under Section 9.2.

9.2 Assessments for Administrative Expenses.

(a) As used in this Article IX, the term "Administrative Expenses" shall mean those expenses incurred by the Company in the ordinary course of its operations, including but not limited to expenses incurred for insurance, bank accounts and banking services, resident agents of the Company, professional services, postage, letterhead, office supplies, and materials and services related to the issuance of any request for proposals.

(b) Each Member shall be obligated to pay in cash to the Company from time to time of its proportionate share of all assessments for Administrative Expenses of the Company. Assessments for Administrative Expenses under this Section 9.2 shall be subject to the following terms and conditions:

(1) Assessments may be made only for funds required by the Company to pay Administrative Expenses actually paid or incurred by the Company or reasonably anticipated to be due and payable by the Company within 90 days of the date on which the capital call is made.

(2) Assessments for Administrative Expenses may be made only for amounts approved by a simple majority vote of the Managers.

(3) Assessments under this Section 9.2 shall be made no more frequently than once per calendar month.

(4) Assessments under this Section 9.2 shall not be considered Capital Contributions to the Company and a Member's Capital Account shall not be credited with the amount of any assessments paid by it to the Company hereunder.

(c) Assessments for Administrative Expenses under this Section 9.2 shall be made by the Chairman or Secretary by delivery of written notice (an "Assessment Notice") to each Member describing (i) the total amount then being assessed to the Members for Administrative Expenses, (ii) the uses and applications of the assessments, (iii) that Member's proportionate share of the total assessment then being made, and (iv) the date the assessment is required to be paid by the Members, which date shall not be less than 30 days after the Assessment Notice has been given.

(d) For the purposes of this Agreement, each Member's "proportionate share" of assessments for Administrative Expenses shall mean such Member's share of such assessments for Administrative Expenses when divided equally among all Members.

(e) Each Member admitted after the date of this Agreement will be responsible to pay to the Company upon its admission its proportionate share of Administrative Expenses (including, without limitation, an amount equal to the proportionate share of prior assessments for

Administrative Expenses collected from each Member, as determined by the Managers) subject to adjustment at any time agreed upon by the Managers.

9.3 Capital Accounts. An individual capital account (the "Capital Account") shall be maintained for each Member. The Capital Account of a Member shall consist of its initial Capital Contribution and shall be *increased by* (i) the amount of any additional Capital Contributions and (ii) the amount of all net profits (and any item thereof) allocated to such Member, and *decreased by* (iii) the amount of all distributions to such Member and (iv) the amount of all net losses (and any item thereof) allocated to such Member. The Capital Accounts shall be determined, maintained and adjusted in accordance with Section 704(b) of the IRC and the Treasury Regulations thereunder.

9.4 General Rules Relating to Capital of the Company.

(a) No Member shall be personally liable for the return of the Capital Contributions of the Members, or any portion thereof, it being expressly understood that such return of contributions, if any, shall be made solely from Company assets.

(b) No Member shall have the right to withdraw or receive any return of its Capital Contributions, provided, however, that any Member that becomes a Member prior to receiving approval of the appropriate Commission shall, if such Commission shall subsequently refuse to endorse this Agreement, be entitled to receive a return of its Capital Contribution (without interest). No Member shall have any right to demand or receive property (in return of its Capital Contributions).

Article X

Allocations, Income Tax, Distributions, Elections, Books and Records and Returns

10.1 Allocation of Profits and Losses.

(a) Net profits or net losses of the Company, as the case may be, shall be determined for each fiscal year of the Company in accordance with generally accepted accounting principles as from time to time in effect. Net profits for each fiscal year shall be allocated equally among the Members. Net losses for each fiscal year shall be allocated among the Members pro rata in accordance with the positive balances in their respective Capital Accounts.

(b) Except as may be otherwise required under the IRC or the Treasury Regulations thereunder, all items of income, gain, and loss (and items thereof) for income tax purposes shall be allocated among the Members in the same proportions as net profits and net losses were allocated to the Members hereunder.

10.2 Distributions Prior to Dissolution and Termination. Prior to the dissolution and termination of the Company, no distributions shall be made by the Company to the Members without the unanimous consent of the Managers. Any distributions under this Section 10.2 shall be made equally to the Members.

10.3 Books, Records and Reports.

(a) The books and records of the Company shall be maintained by the Secretary and shall be available for examination by any Member, or its duly-authorized representatives, during regular business hours.

(b) The Chairman shall cause the Company to furnish to the Members within ninety (90) days of the end of each fiscal year (i) a complete accounting of the affairs of the Company, and (ii) appropriate information to be used by the Members for reporting their respective shares of the profits and losses of the Company for income tax purposes. The cost of such financial and tax reports shall be an expense of the Company.

10.4 Fiscal Year; Methods of Accounting. The fiscal year of the Company and the method of accounting to be used in keeping the books of the Company shall be determined by the Steering Committee in accordance with applicable law.

10.5 Tax Elections. All tax elections required or permitted to be made by the Company shall be made by the Steering Committee.

Article XI

Transferability and Withdrawal

11.1 Restrictions on Transferability. No Member shall sell, give, pledge, encumber, assign, transfer or otherwise dispose of, voluntarily or involuntarily or by operation of law (hereinafter referred to as "Transfer"), all or any portion of its Membership Interest without the prior consent of a simple majority of the non-transferring Members, which consent may be withheld or granted in the sole discretion of such Members. Any attempted Transfer in contravention of any of the provisions of this Agreement shall be void *ab initio* and shall not bind or be recognized by the Company or the other Members.

11.2 Voluntary Withdrawal. Any Member may, at any time and for any reason, withdraw from the Company as a Member upon 90 days' prior written notice to such effect delivered to the Company and each other Member, provided, however, that no Member shall have any right to receive any return of its Capital Contributions or any positive balance in its Capital Account upon any such voluntary withdrawal.

11.3 Involuntary Withdrawal. Any Member shall cease to be a Member of the Company upon the occurrence of any of the following events:

(a) such Member makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudged bankrupt or insolvent or seeks, consents to or acquiesces in the appointment of a trustee for, or the liquidation of, such Member; or

(b) such Member is removed as a Member by vote of a two-thirds majority of the Managers (excluding from such vote the Manager appointed by such Member) following the failure of such Member to perform its obligations under this Agreement after thirty days' written notice from the Company.

Article XII

Membership

12.1 Admission to Membership. From the date of the formation of the Company, membership in the Company will be limited to: (a) all carriers certificated by the Commission to provide local exchange telecommunications service in the Northeast Region that express an intent to port numbers in the Northeast Region when Permanent Local Number Portability is available or within six months thereafter; (b) other telecommunications carriers that have filed applications for certification to provide local exchange telecommunications service in the Northeast Region and that express to the Company an intent to port numbers in the Northeast Region within six months of the date of such carrier's application to become a Member of the Company; (c) any CMRS provider that provides to the Company written certification that it has been ordered by the FCC to commence porting numbers in the Northeast Region by a date certain and that it will commence porting numbers in accordance with the timetable established by the FCC, or (d) any association of entities, provided that: (i) at least 50% of the association's members are wireline or wireless carriers that are certified or authorized to provide local exchange telecommunications service in any state within the United States, and (ii) no more than 50% of the voting members of the association are also Members of the Company. The Managers reserve the right to modify this membership criteria from time to time as appropriate.

12.2 Membership Requirements. To become a Member of the Company and thereby obtain a Membership Interest in the Company, an Entity must: (1) demonstrate to the Managers that it meets the admissions criteria in Section 12.1, (2) execute this Agreement or a written counterpart to this Agreement, and (3) contribute its initial Capital Contribution and pay its proportionate share of prior assessments of Administrative Expenses, as determined by the Managers. Failure to satisfy the aforementioned requirements will result in denial of membership or revocation of membership which shall be implemented by the Managers any time after 30 days written notice has been provided to the Member. To maintain status as a Member of the

Company and to maintain a Membership Interest in the Company, a Member must comply with all terms and conditions of this Agreement, including (without limitation) paying its proportionate share of assessments made under Section 9.2, and any failure to so comply will result in revocation of membership which shall be implemented by the Managers any time after 30 days written notice has been provided to the Member.

Article XIII

Dissolution and Termination

13.1 Dissolution. The Company shall be dissolved and its affairs wound up upon the first to occur of the following events:

(a) the latest date on which the Company is to dissolve, if any, as set forth in this Agreement; or

(b) by the written consent of at least two-thirds in interest of the Members; or

(c) the bankruptcy, dissolution, removal or withdrawal of any Member or the occurrence of any other event that terminates the continued membership of any Member, unless within one hundred eighty (180) days after such event the Company is continued by the vote or written consent of a majority in interest of all of the remaining Members.

13.2 Winding Up, Liquidation, and Distribution of Assets. Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities, and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company. If the Company is dissolved and its affairs are to be wound up, the Managers shall:

(a) sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Managers may determine to distribute any assets to the Members in kind);

(b) allocate any profit or loss resulting from such sales to the Members' Capital Accounts;

(c) discharge all liabilities of the Company, including liabilities to Members who are creditors, to the extent otherwise permitted by law, other than liabilities to Members for distributions, and establish such reserves as may be reasonably necessary to provide for contingencies or liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such reserves shall be deemed to be an expense of the Company);

(d) distribute the remaining assets in the following order:

(i) If any assets of the Company are to be distributed in kind, the net fair market value of those assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Those assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members shall be adjusted pursuant to the provisions of Article X and Section 9.3 of this Agreement to reflect such deemed sale.

(ii) Distributions shall be made according to the positive balance(s) (if any) of the Members' Capital Accounts (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs), either in cash or in kind, as determined by the Managers, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Section 13.2(d)(i).

(e) provide that notwithstanding anything to the contrary in this Agreement, upon the dissolution and termination of the Company, no Member shall have any obligation to make a Capital Contribution to restore a negative balance in the Member's Capital Account, and the negative balance of the Member's Capital Account shall not be considered a debt owed by the Member to the Company or to any other Entity for any purpose whatsoever;

(f) terminate the Company for tax purposes upon completion of the winding up, liquidation, and distribution of the assets; and

(g) comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

13.3 Articles of Dissolution. Within ninety days following the dissolution and the commencement of winding up of the Company, or at any other time when there are no Members of the Company, Articles of Dissolution shall be filed with the New York Department of State in accordance with Section 705 of the New York Law. Upon the filing of the Articles of Dissolution, the existence of the Company shall cease, except for the purpose of suits, other proceedings, and appropriate action as provided in the New York Law. The Managers shall have authority to distribute any Company property discovered after dissolution, convey real estate, and take such other action as may be necessary on behalf of and in the name of the Company.

13.4 Return of Contribution - Nonrecourse to Other Members. Except as provided by law or as otherwise expressly provided in this Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution or Capital Account. Except as provided by law or as otherwise expressly provided in this Agreement, if the Company property remaining after the payment or discharge of the debts and

liabilities of the Company is insufficient to return the cash contribution or Capital Account of one or more Members, the Members shall have no recourse against any other Member.

Article XIV

Miscellaneous Provisions

14.1 Further Assurances. At any time and from time to time after the date of this Agreement, each Member will, upon the reasonable request of another Member, perform, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required to effect or evidence the transactions contemplated hereby or to comply with any laws, rules or regulations.

14.2 Notices. All necessary notices, demands and requests required or permitted to be given hereunder shall be in writing and addressed as set forth in Exhibit A. Notices shall be delivered by a recognized courier service or by facsimile transmission and shall be effective upon receipt, *provided* that notices shall be presumed to have been received:

(a) if given by courier service, on the second business day following delivery of the notice to a recognized courier service before the deadline for delivery on or before the second business day following delivery to such service, delivery costs prepaid, addressed as aforesaid; and

(b) if given by facsimile transmission, on the next business day, *provided* that the facsimile transmission is confirmed by answer back, written evidence of electronic confirmation of delivery, or verbal or written acknowledgment of receipt thereof by the addressee. From time to time any party may designate a new address or facsimile number for the purpose of notice hereunder by notice to the other parties in accordance with the provisions of this Section 14.2.

14.3 Application of New York Law. This Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of New York, and specifically the New York Law.

14.4 Entire Agreement. This Agreement constitutes the entire agreement of the Members relating to the subject matter hereof and supersedes all prior contracts or agreements, whether oral or written, relating to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between or among the Members relating to the subject matter of this Agreement which are not fully expressed in this Agreement.

14.5 Amendment. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented or modified orally, but only by an instrument in writing executed by a two-thirds majority of Managers.

14.6 Effect of Waiver of Consent. No waiver or consent, express or implied, by the Company or any Member to or of any breach or default by the Company or any Member in the performance by the Company or such Member of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Company or such Member of the same or any other obligations of the Company or such Member hereunder. No single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce any right or power, shall preclude any other or further exercise thereof or the exercise of any other right or power. Failure on the part of the Company or a Member to complain of any act of the Company or any Member or to declare the Company or any Member in default, irrespective of how long such failure continues, shall not constitute a waiver by the Company or such Member of its rights hereunder until the applicable statute of limitation period has run.

14.7 Facsimiles. For purposes of this Agreement, any copy, facsimile, telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted or used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing, transmission or signature, as the case may be.

14.8 Limitation on Rights of Others. Nothing in this Agreement, whether express or implied, shall be construed to give any person (other than the Members hereto and their respective legal representatives, permitted successors and assigns and as expressly provided herein) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein, as a third party beneficiary or otherwise. Without limiting the generality of the foregoing, none of the provisions of this Agreement shall be for the benefit of, or enforceable by, any creditors of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or other third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

14.9 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and use of any one right or remedy by any Member shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Members may have by law, statute, ordinance, or otherwise.

14.10 Successors and Assigns. Each and all of the covenants, terms, provisions, and agreements contained in this Agreement shall be binding upon and inure to the benefit of the Members hereto and, to the extent permitted by this Agreement, their respective successors and assigns.

14.11 Dispute Resolution and Arbitration. In the event that any dispute arises between one or more Members and the Company, pertaining to the subject matter of this

Agreement and the parties to the dispute are unable to resolve such dispute within a reasonable time through negotiations, such dispute may be resolved as stated in Section 4.7. If such dispute is not eligible for resolution pursuant to the criteria set forth in Section 4.7, then such dispute shall be resolved by a simple majority vote of the Managers.

14.12 Investment Representations. The parties to this Agreement agree as follows with respect to investment representations:

(a) The undersigned Members understand:

(1) that the Membership Interests evidenced by this Agreement have not been registered under the Securities Act of 1933, 15 U.S.C. §77a *et seq.*, the New York Securities Act or any other state securities laws (the "Securities Acts") because the Company is issuing these Membership Interests in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering;

(2) that the Company has relied upon the fact that a Membership Interest is to be held by each Member for investment; and

(3) that exemption from registration under the Securities Acts would not be available if a Membership Interest was acquired by a Member with a view to distribution.

(b) Accordingly, each Member hereby confirms to the Company that the Member is acquiring the Membership Interest for the Member's own account, for investment and not with a view to resale or distribution.

(1) In addition to the other restrictions set forth herein, each Member agrees not to transfer, sell or offer for sale any portion of its Membership Interest unless there is an effective registration or other qualification relating thereto under the Securities Act of 1933 and under any applicable state securities laws or unless the holder of the Membership Interest delivers to the Company an opinion of counsel, satisfactory to the Company, that the registration or other qualification under the Securities Act of 1933 and applicable state securities laws is not required in connection with the transfer, offer or sale.

(2) Each Member understands that the Company is under no obligation to register the Membership Interests or to assist the Member in complying with any exemption from registration under the Securities Acts if the Member should at a later date wish to dispose of its Membership Interest.

(3) Furthermore, each Member realizes that the Membership Interests are unlikely to qualify for disposition under Rule 144, 17 C.F.R. §230.144, of the Securities and Exchange Commission unless the Member is not an "affiliate" (as defined in the Securities

Act of 1933) of the Company and the Membership Interest has been beneficially owned and fully paid for by the Member for at least three years.

(c) Before acquiring a Membership Interest, each Member has investigated the Company and its business and has made available to each Member all information necessary for the Member to make an informed decision to acquire the Membership Interest. Each Member considers itself to be an Entity possessing experience and sophistication as an investor adequate for the evaluation of the merits and risks of the Member's investment in the Membership Interest.

14.13 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: AT&T COMMUNICATIONS OF NEW YORK, INC.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: CABLEVISION LIGHTPATH, INC.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: MCIMETRO ACCESS TRANSMISSION SERVICES, INC.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: MFS INTELENET OF NEW YORK, INC.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: NEW YORK TELEPHONE

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: ROCHESTER TELEPHONE CORP.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: TCG, INC.

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

NAME OF COMPANY: SOUTHERN NEW ENGLAND TELEPHONE COMPANY

BY: _____ (Signature)

Name:

Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day July 1, 1998.

NAME OF COMPANY: COX COMMUNICATIONS, INC.

BY: _____(Signature)

Name:

Title:

EXHIBIT A

LIST OF MEMBERS

Name of Member, Member's State(s) of Incorporation, Address of Member

<u>Name and Address of Member</u>	<u>State of Incorporation</u>
AT&T Communications of New York, Inc. 32 Avenue of the Americas New York, New York 10013	New York
Cablevision Lightpath, Inc. 111 New South Road Hicksville, New York 11801	Delaware
MCImetro Access Transmission Services, Inc. 8521 Leesburg Pike Vienna, Virginia 22182	Delaware
MFS Intelenet of New York, Inc. 3 Wing Drive, Suite 200 Cedar Knolls, New Jersey 07927	Delaware
New York Telephone 1095 Avenue of the Americas New York, New York 10036	New York
Rochester Telephone Corp. 180 South Clinton Avenue Rochester, New York 14646	New York
Southern New England Telephone Company 227 Church Street New Haven, Connecticut 06510	Connecticut
TCG, Inc. One Teleport Drive Staten Island, New York 10311	Delaware
Time Warner Communications Holdings, Inc. 300 First Stamford Place Stamford, Connecticut 06902	Delaware

EXHIBIT B

LIST OF MANAGERS

<u>Name of Member</u>	<u>Name(s) of Manager and Alternate Manager, if any</u>	<u>Address(es) and Phone Number(s)</u>	<u>Fax Number(s)</u>
AT&T Communications of New York, Inc.	Barry N. Sherwin [Manager]	32 Avenue of the Americas Room 1735 New York, NY 10013 (212) 387-4810	(212) 387-6416
	Paul LaGattuta [Alternate Manager]	32 Avenue of the Americas Rm 2001 New York, NY 10013 (212) 387-4009	(212) 387-7837
Cablevision Lightpath, Inc.	Lawrence J. Bugden [Manager]	111 New South Road Hicksville, NY 11801 (516) 393-3400	(516) 393-0455
	Leo D. Maese [Alternate Manger]	111 New South Road Hicksville, NY 11801 (516) 393-3402	(516) 393-0455

MCImetro Access Transmission Services Inc.	Stephen Addicks [Manager]	8521 Leesburg Pike Vienna, VA 22182 (703) 394-7202	(703) 918-6814
	David Heath [Alternate Manager]	8521 Leesburg Pike Vienna, VA 22182 (703) 918-6892	(703) 918-6850
MFS Intelenet of New York, Inc.	Anne F. La Lena [Manager]	1120 Connecticut Avenue, N.W. Suite 400 Washington, D. C. 20036 (202) 776-1550	(202) 776-1555
	Brenda Flood [Alternate Manager]	2678 Bishop Drive, Suite 200 San Ramon, CA 94583 (925) 824-2116	(925) 244-1300
New York Telephone	Augie Trinchese [Manager]	1095 Avenue of the Americas Room No. 412 New York, NY 10036 (212) 597-5082	(212) 575-7833
	William Higgins [Alternate Manager]	1095 Avenue of the Americas Room No. 3436 New York, NY 10036 (212) 395-0904	(212) 221-6941

Rochester Telephone Company	David A. Keech [Manager]	180 S. Clinton Avenue Rochester, NY 14616 (716) 777-6932	(716) 325-1355
Southern New England Telephone Company	Patricia Gendernalik [Manager]	1441 North Colony Road Meriden, CT 06450 (203) 694-7238	(203) 235-9788
	Colleen McGuire [Alternate Manager]	227 Church Street New Haven, CT 06510 (203) 771-8468	(203) 624-3549
TCG, Inc.	Ed Gould [Manager]	One Teleport Drive Staten Island, NY 10311 (718) 355-2424	(718) 355-4956
	Frederik Cederqvist [Alternate Manager]	Two Teleport Drive Staten Island, NY 10311 (718) 355-4657	(718) 355-4876
Time Warner Communications Holdings, Inc.	Dan Engleman [Manager]	5700 South Quebec Street Greenwood Village, CO 80112 (303) 566-1311	(303) 799-5681
	William Behringer [Alternate Manager]	120 East 23rd Street New York, NY 10010 (212) 598-7200	(212) 420-4805

EXHIBIT C

TERMS AND CONDITIONS GOVERNING INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

I. Intellectual Property

(A) Rights In and To Technology:

(1) To the extent that any new technology and/or any improvements, enhancements or modifications to existing technology are developed for Company ("Company Technology"), Company may endeavor to obtain appropriate ownership or use rights in and to Company Technology and all intellectual property and other proprietary rights therein.

(2) To the extent Company obtains ownership or use rights, upon request and to the extent allowed by the owner and/or licensor, a Member may obtain a license for the use of Company Technology on terms and conditions for Member use of Company Technology to be developed by Company ("Company Terms and Conditions").

(3) Any such Member license rights are assignable to a Member's affiliate (as defined in Section 4.1(b)).

(4) Upon the withdrawal or expulsion of a Member from Company, any license rights in and to Company Technology shall be treated in accordance with the Company Terms and Conditions.

(5) Upon any order or other directive concerning local number portability issued by the Commission or the Federal Communications Commission causing Company to merge, consolidate, dissolve and terminate, or otherwise cease to exist, or upon the dissolution and termination of Company pursuant to Section 13.1, rights in and to Company Technology shall be disposed of as determined by Company Members at the time of any such dissolution and termination.

(6) Each Member retains all rights in and to its own technology and does not hereby grant any right in or to such technology to Company or any individual Member.

(B) Rights In and To Trademarks, Service Marks,
Logos and Other Proprietary Marks:

(1) To the extent that Company develops any trademarks, service marks, logos and other proprietary marks ("Company Marks"), Company shall hold all rights in and to any Company Marks.

(2) To the extent that Company develops any Company Marks, upon request, a Member may obtain the right to use the Company Marks for uses consistent with policies to be developed by Company for Member use of Company Marks.

(3) Any such Member use rights are assignable to a Member's affiliate (as defined in Section 4.1(b)).

(4) Upon the withdrawal or expulsion of a Member from Company, any use rights in and to the Company Marks automatically shall terminate.

(5) Upon any order or other directive concerning local number portability issued by the Commission or the Federal Communications Commission causing Company to merge, consolidate, dissolve and terminate, or otherwise cease to exist, or upon the dissolution and termination of Company pursuant to Section 13.1, rights in and to Company Marks shall be disposed of as determined by the Company Members at the time of any such dissolution and termination.

(6) Each Member retains all rights in and to its own trademarks, service marks, logos and other proprietary marks and does not hereby grant any right in or to such marks to Company or any individual Member.

II. Confidential Information

A. Rights in and to Confidential Information:

(1) To the extent that any Company business, financial, trade secrets, data or other technical information shall be deemed confidential by Company ("Company Confidential Information"), each Member shall protect any Company Confidential Information to which it is exposed as a result of Company activities from disclosure to other than Company Members using the same degree of care used to protect the Member's own confidential information. To the extent that any Member business, financial, trade secrets, data or other technical information shall be deemed by that Member confidential ("Member Confidential Information"), each Member shall protect any Member Confidential Information to which it is exposed as a result of Company activities from disclosure to a non-Member Entity using the same degree of care used to protect the Member's own Member Confidential Information. A Member may utilize Company and Member Confidential Information of other Members (collectively, "Confidential Information") solely for the purposes of Company activities.

(2) All Confidential Information is the property of Company or the respective Member, as appropriate. Upon the written request of Company or the owning Member at any time, or upon the withdrawal or expulsion of a Member from Company, a recipient of Confidential Information shall return or destroy, as directed by the owner, all such Confidential Information held in tangible form and no such Confidential Information shall be retained in any form.

(3) Upon any order or other directive concerning local number portability issued by the Commission or the Federal Communications Commission causing Company to merge, consolidate, dissolve and terminate, or otherwise cease to exist, or upon the dissolution and termination of Company pursuant to Section 13.1, rights in and to Company Confidential Information shall be disposed of as determined by the Members at the time of dissolution and termination.

(4) Each Member retains all rights in and to its own Member Confidential Information, including but not limited to its customer information, and does not hereby grant any right in or to any such Member Confidential Information to Company or any individual Member.

NORTHEAST CARRIER ACQUISITION COMPANY, LLC
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
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NORTHEAST CARRIER ACQUISITION COMPANY, LLC

A New York Limited Liability Company

**AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

April 28, 1998